

Registered Charity No.
526564

The MGS Trust
TRUSTEES' REPORT
and
FINANCIAL STATEMENTS
for the year ended
31 December 2021

The MGS Trust
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The MGS Trust

Trust Information

Charity Number
526564

Trustees

Mr W G R Lees-Jones (resigned 29.9.2021)
Mr N J Richens
Mr J H Tully
Mr R F W Flower
Mr I Thorpe
Mr A Kallumpram (appointed 29.9.2021)

Secretary

Mrs G L Griffiths

Principal Office

c/o The Manchester Grammar School
Old Hall Lane
Manchester
M13 0XT

Bankers

National Westminster Bank plc
Spinningfields Square Branch
182 Deansgate
Manchester
M3 3LY

Auditors

Beever and Struthers
St. George's House
215-219 Chester Road
Manchester
M15 4JE

Investment Advisers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Veritas Investment Partners (UK) Limited
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Tax reference

XN18041

The MGS Trust

Trustees' Report for 2021

The Trustees present their report and the audited financial statements of the MGS Trust (a registered charity No. 526564) for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 14 and comply with the deeds of The MGS Trust, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective on 1 January 2019. Reference and Administration details of The MGS Trust, its Trustees and Advisers are set out on page 1.

Structure, governance and management

The MGS Trust was constituted by a Declaration of Trust dated 5th April 1966 and is governed by several supplemental trust deeds. The MGS Trust is constituted as an unincorporated Association. The power to appoint new Trustees is vested in the existing Trustees.

When required, new Trustees are appointed after decision by the existing Trustees as to the skill set best suited to the needs of The MGS Trust. Recruitment is then initiated to identify a suitable candidate. The Trustees are conscious of the need for continuous training. During 2021 there was a change in Trustees as set out on the information page.

The Trustees usually meet formally on a quarterly basis to review progress and to discuss investment performance with their advisers. Three meetings were held in 2021.

Mrs G. L. Griffiths FCCA acted as Secretary to the Trustees. Day to day administration has been carried out by the Secretary who submits an appropriate report to each meeting of the Trustees.

There have been no related party transactions during the year, except for Secretary honorarium and expenses as disclosed.

Objectives and activities

The Trust was established for the advancement of education by the appropriate management of funds principally for the benefit of The Manchester Grammar School, its pupils and former pupils. Funds have been provided by individual donors and through appeals organised by the Development Office at The Manchester Grammar School.

Funds raised by the Development Office and passed to the MGS Trust (which is independent of The Manchester Grammar School) and individual donations are invested by the Trustees with the intention that the return on those investments, supplemented when appropriate by the application of capital, should be used each year to pay a bursary grant to The Manchester Grammar School.

Regular meetings are held with representatives of The Manchester Grammar School to determine the level of bursary funding and the contribution to be made from the MGS Trust.

The MGS Trust

Trustees' Report for 2021

Principal risks, Covid-19 and going concern

The Trustees have further considered the impact of the pandemic on the principal risks of the Trust which are considered to be the level of investment return, the performance of investment markets and the ability to raise funds in a more challenging economic environment. They have further considered these risks in relation to going concern and given the still considerable excess of the value of investments over the annual cost of bursaries they continue to believe that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

Achievements and performance

The Trustees have agreed with the School that a grant of £2,231,000 will be made to the School to fund bursaries for the academic year starting in September 2021. As in previous years the School will be responsible for the allocation of the grant between those pupils deemed to qualify.

The investment managers have full discretion to operate within the limits of a strategy agreed with and regularly reviewed by the Trustees. The strategy was reviewed in 2020. Performance is measured quarterly by reference to benchmarks agreed between the Trustees and the investment managers.

The Trustees confirm that they have considered the risks to which the funds could be exposed and are satisfied that adequate systems and controls are in place to mitigate those risks.

Financial Review

The total incomings for the year 2021 amounted to £2,479,016 including:

	£
Donations and legacies	1,546,793
Investment income	745,837
Tax recoverable	127,498
Interest receivable	58,668

A summary of the movements of the investment portfolio is set out at note 2 to the accounts on page 15. Net gains on investments sold amounted to £1,755,708 against market values at 1 January 2021. Other investments increased in value by £1,466,401 resulting in total net gains of £3,222,109 over the year.

In 2021 there was an increase in total funds of £3,264,052 to £31,042,567.

Grant making policy

Grants are recognised as the commitment arises. All grants payable are for the benefit of The Manchester Grammar School, its current and former pupils, and agreed on an annual basis by the Trustees.

The MGS Trust

Trustees' Report for 2021

Reserves policy

The Trustees have established a policy whereby an amount equivalent to the anticipated grant payable during the next twelve months is held in readily available form. The policy in respect of both the General Bursary Fund and the Bursary Endowment Fund is explained further below.

The Trustees have determined that no change to the reserves policy is required at this time. The reserves policy along with investment performance, the adequacy of resources and the principal risks are reviewed on a regular basis.

The total funds held at 31 December 2021 were £31,042,567 (2020 £27,778,515).

All the funds of the Trust are Restricted Funds as defined by the Statement of Recommended Practice.

The General Bursary Fund represents gifts donated by individuals and organisations to meet the cost of providing bursaries to pupils of The Manchester Grammar School, together with accumulated income. The Trustees and The Manchester Grammar School agree each year the amount of bursary grant required and funds are released to The Manchester Grammar School at appropriate times of the academic year. The balance of the General Bursary Fund is retained to provide bursaries for future academic years as and when agreed between the Trustees and The Manchester Grammar School. The Trustees have the power to distribute both income and capital from the General Bursary Fund.

The bursary grant for academic year 2022-2023 has been agreed at £2,375,628 (2021-2022 £2,231,000).

The Bursary Endowment Fund will meet the requirements of certain donors who wish to make donations on an endowment basis. Each year the income will be used, as required, to meet the cost of bursaries as explained above. Income can only be applied in this way if the capital value of the Bursary Endowment Fund is higher than the total of inflation adjusted (using the Consumer Prices Index) donations and legacies received. The Trustees are not authorised to spend or apply any of the capital of the Bursary Endowment Fund, provided that they may spend or apply income that has been previously added to the Fund as though it were income arising in the then current year.

Public benefit and plans for future periods

The Manchester Grammar School Development Office is successfully continuing fundraising. Steps have been taken to encourage continuing support from parents, old boys of the School and other benefactors. The Trustees continue to consider the public benefit requirement in the light of the guidance issued by the Charity Commission and in the commitment of The Manchester Grammar School to its provision of the public benefit. The Trustees are in regular contact with The Manchester Grammar School in relation to the public benefit requirement and the criteria for determining the award of bursaries.

The MGS Trust
Trustees' Report for 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year. In preparing these financial statements the Trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles of the Charities Statement of Recommended Practice;
- (c) make judgments and estimates that are reasonable and prudent; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees



Nigel J Richens
Trustee

16 August 2022

The MGS Trust

Independent Auditor's Report to the trustees of The MGS Trust

Opinion

We have audited the financial statements of The MGS Trust (the "charity") for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The MGS Trust

Independent Auditor's Report to the trustees of The MGS Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

The MGS Trust

Independent Auditor's Report to the trustees of The MGS Trust

- We obtained an understanding of laws, regulations and guidance that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, taxation legislation, data protection and employment legislation.
- We enquired of the trustees and reviewed correspondence and trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

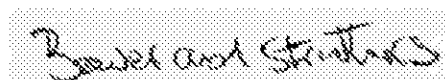
Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester M15 4JE



16 August 2022

The MGS Trust
Statement of Financial Activities
for the year ended 31 December 2021

	Bursary Endowment Fund 2021 £	General Bursary Fund 2021 £	Total 2021 £	Total 2020 £
Donations	672,957	699,248	1,372,205	1,922,735
Legacies	-	174,588	174,588	64,040
Income tax recoverable	3,138	124,360	127,498	122,751
Investment income	109,742	636,095	745,837	489,603
Interest receivable	9	58,659	58,668	16,148
Net rent receivable	-	220	220	-
Total income	785,846	1,693,170	2,479,016	2,615,277
Expenditure				
Investment managers' fees	18,855	172,211	191,066	104,210
Charitable expenditure				
Grants payable to The Manchester Grammar School	-	2,231,000	2,231,000	2,135,831
Management and Administration				
Secretary's honorarium and expenses	-	7,073	7,073	9,092
Sundry expenses	46	1,998	2,044	1,346
Professional fees	-	1,380	1,380	11,880
Governance costs				
Auditor's remuneration	-	4,510	4,510	3,621
Total expenditure	18,901	2,418,172	2,437,073	2,265,980
Net income/(expenditure) and net movement in funds before gains and losses on investments	766,945	(725,002)	41,943	349,297
Net gains/(losses) on investments (note 2)	244,463	2,977,646	3,222,109	(1,101,923)
Net movement in funds	1,011,408	2,252,644	3,264,052	(752,626)
Total funds brought forward	3,264,291	24,514,224	27,778,515	28,531,141
Total funds carried forward	4,275,699	26,766,868	31,042,567	27,778,515

All the trust funds are restricted

The MGS Trust
Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	2	31,285,567	26,551,883
Current assets			
Debtors	3	54,003	45,817
Short term deposits		453,711	1,499,328
Cash at bank		799,488	1,142,562
		<u>1,307,202</u>	<u>2,687,707</u>
Current liabilities			
Creditors: amounts falling due within one year	4	(1,550,202)	(1,461,075)
Net current (liabilities)/assets		<u>(243,000)</u>	<u>1,226,632</u>
Net assets		<u>31,042,567</u>	<u>27,778,515</u>
The Funds of the Charity			
Restricted funds	6		
General Bursary Fund		26,766,868	24,514,224
Bursary Endowment Fund		4,275,699	3,264,291
Total		<u>31,042,567</u>	<u>27,778,515</u>

Approved and authorised for issue by the Trustees and signed on their behalf by



Nigel J Richens
Trustee

16 August 2022

The MGS Trust
Statement of cash flows
for the year ended 31 December 2021

	2021 £	2020 £
Net cash (used)/generated from operating activities (note 1 below)	(681,621)	(110,544)
Cash flow from investing activities		
Interest and similar income received	804,505	505,751
Proceeds from the sale of investments	4,512,163	24,622,031
Proceeds from the sale of property	-	-
Purchase of investments	(6,023,738)	(23,395,317)
Net change in cash and cash equivalents	(1,388,691)	1,621,921
Cash and cash equivalents at beginning of the year	2,641,890	1,019,969
Cash and cash equivalents at end of the year	<u>1,253,199</u>	<u>2,641,890</u>
Note 1		
Net income/(expenditure) for the year	3,264,052	(752,626)
Adjustments for non-cash items:		
Decrease/(increase) in trade and other debtors	(8,186)	24,249
Increase in trade and other creditors	89,127	21,661
(Gains)/losses on investment asset	(3,222,109)	1,101,923
Adjustments for investing or financing activities:		
Investment income	(745,837)	(489,603)
Interest income	(58,668)	(16,148)
Net cash generated from operating activities	<u>(681,621)</u>	<u>(110,544)</u>

All of the cash flows are derived from continuing operations during the above two periods.

The MGS Trust
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

The Charity is an unincorporated Charity registered in England and Wales. The registered office is c/o The Manchester Grammar School, Old Hall Lane, Manchester M13 0XT.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective on 1 January 2019 and the Charities Act 2011.

The Trust is incorporated in the United Kingdom and constitutes a public benefit entity as defined by FRS102.

The accounts are presented in £ sterling.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, the most significant area of uncertainty is the level of investment return and the performance of investment markets.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

The Trust carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities.

Investment income

Investment income is accounted for when receivable.

All investment gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their opening carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Donations

Donations, legacies, etc. are credited when receivable and can be measured with reasonable accuracy and include amounts received under Gift Aid declaration. Gifts in kind of listed investments are valued at mid-market price on receipt.

The MGS Trust
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies (continued)

Income tax recoverable

Income tax recoverable from investment income and Gift Aid is accounted for on an accruals basis.

Grants

Grants are recognised as the commitment arises. All grants payable are for the benefit of The Manchester Grammar School, its current and former pupils.

Resources expended

Resources expended are accounted for on an accruals basis and where appropriate include irrecoverable VAT. Costs of generating funds represent the allocated costs of generating voluntary income and the costs of operating the investment portfolio. Investment managers' fees are charged quarterly as a percentage of the value of the fund. Governance costs include expenditure related to the governance of the charity and represent external audit costs.

Funds

All the funds of the Trust are deemed to be Restricted Funds as defined by the Statement of Recommended Practice.

The General Bursary Fund represents gifts donated by individuals and organisations to meet the cost of providing bursaries to pupils of The Manchester Grammar School, together with accumulated income. The Trustees and The Manchester Grammar School agree each year the amount of bursary grant required and funds are released to The Manchester Grammar School at appropriate times of the academic year. The balance of the General Bursary Fund is retained to provide bursaries for future academic years as and when agreed between the Trustees and The Manchester Grammar School. The Trustees have the power to distribute both income and capital from the General Bursary Fund.

The Bursary Endowment Fund will meet the requirements of certain donors who wish to make donations on an endowment basis. Each year the income will be used, as required, to meet the cost of bursaries as explained above. Income can only be applied in this way if the capital value of the Bursary Endowment Fund is higher than the total of inflation adjusted (using the Consumer Prices Index) donations and legacies received. The Trustees are not authorised to spend or apply any of the capital of the Bursary Endowment Fund, provided that they may spend or apply income that has been previously added to the Fund as though it were income arising in the then current year.

Financial Instruments

Financial assets measured at fair value include fixed asset investments. Financial assets that are debt instruments measured at amortised cost include cash at bank, short term deposits, legacies, accrued investment interest and other debtors. Financial liabilities at amortised cost include accruals, grants payable and other creditors.

Preparation of accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. The Trustees have considered the impact of the pandemic on the principal risks of the Trust which are considered to be the level of investment return, the performance of investment markets and the ability to raise funds in a more challenging economic environment. They have further considered these risks in relation to going concern and given the still considerable excess of the value of investments over the annual cost of bursaries they continue to believe that there is reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

The MGS Trust
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Key judgements

The key judgements are those policies relating to Fixed Asset Investments.

a) Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

b) Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The Charity is a registered Charity and is, therefore, exempt from any liability to taxation on its income and capital gains.

The Charity is not registered for VAT and therefore expenditure is stated inclusive of VAT.

The MGS Trust
Notes to the Accounts
for the year ended 31 December 2021

2 Gains on Revaluation & Disposal of Investment Assets

	Bursary Endowment Fund 2021	General Bursary Fund 2021	Total 2021 £	Total 2020 £
Realised gains/(losses) on investment assets sold	(6,228)	1,761,936	1,755,708	(2,231,742)
Unrealised gains/(losses)	250,691	1,215,710	1,466,401	1,129,819
Total net gains/(losses)	244,463	2,977,646	3,222,109	(1,101,923)

Fixed Assets Investments

	£	£
Quoted Investments - General Bursary Fund		
Market value at 1 January 2021	23,427,430	26,417,984
Additions	5,335,048	20,086,877
Disposals	(4,454,588)	(22,171,031)
Net realised gains (losses)	1,761,936	(1,916,002)
Unrealised gains/(losses)	1,215,710	1,009,602
Market value at 31 December 2021	27,285,536	23,427,430
Quoted Investments - Bursary Endowment Fund		
Market value at 1 January 2021	3,014,453	2,352,536
Additions	688,690	3,308,440
Disposals	(57,575)	(2,451,000)
Net realised gains (losses)	(6,228)	(315,740)
Unrealised gains/(losses)	250,691	120,217
Market value at 31 December 2021	3,890,031	3,014,453
Investment Properties	110,000	110,000
	31,285,567	26,551,883

Historical cost

The historical cost of the quoted investments at 31 December 2021 was £26,805,738 (2020: £23,549,210).

Investment Properties

Investment Properties is land stated at probate value for the year ending 31 December 2021. H&H Land and Estates act as property management agents, and have advised the Trustees that there are no material changes to the valuation, with the land being solely agricultural.

3 Debtors

	2021 £	2020 £
Legacies	5,000	-
Accrued investment interest	25,746	20,337
Income tax recoverable	23,257	25,480
	54,003	45,817

The MGS Trust
Notes to the Accounts
for the year ended 31 December 2021

4 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	4,358	3,761
Grants payable	1,487,000	1,420,000
Other creditors	58,844	37,314
	<u>1,550,202</u>	<u>1,461,075</u>

5 Net income for the year

Net income for the year is stated after charging:

	2021	2020
	£	£
Auditor's remuneration	4,510	3,621
	<u>4,510</u>	<u>3,621</u>

6 Movement in reserves

	Bursary Endowment Fund 2021	General Bursary Fund 2021	Total 2021 £	Total 2020 £
Net movement in funds	1,011,408	2,252,644	3,264,052	(752,626)
Total funds brought forward	3,264,291	24,514,224	27,778,515	28,531,141
Total funds carried forward	<u>4,275,699</u>	<u>26,766,868</u>	<u>31,042,567</u>	<u>27,778,515</u>

7 Analysis of changes in net debt

	At 1/1/2021	Cashflows	At 31/12/2021
Cash at bank	1,142,562	(343,074)	799,488
Short term deposits	1,499,328	(1,045,617)	453,711
Total	<u>2,641,890</u>	<u>(1,388,691)</u>	<u>1,253,199</u>

8 Trustees remuneration and expenses and related transactions

No trustees have received any remuneration or expenses in the year (2020: Nil) and there were no related party transactions in the year with Trustees (2020: Nil)

9 Staff costs and key management personnel

The Charity has no employees.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The MGS Trust
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11 Capital commitments

At balance sheet date there were no capital commitments (2020: Nil).

12 Contingent liabilities

At balance sheet date there were no contingent liabilities (2020: Nil).